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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

LEHMAN BROTHERS HOLDINGS INC, *et al.*,

Debtors.

No. 08-13555 (JMP)

**RESPONSE OF KLINE GALLAND TO NOTICE OF PROPOSED ASSUMPTION
OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES PURSUANT TO
DEBTORS' THIRD AMENDED JOINT
CHAPTER 11 PLAN PURSUANT TO SECTION 1121 OF THE BANKRUPTCY CODE**

Kline Galland Center ("Kline Galland") herein responds to the Notice of Proposed Assumption of Executory Contracts and Unexpired Leases Pursuant to Debtors' Third Amended Joint Chapter 11 Plan Pursuant to Section 1121 of the Bankruptcy Code ("Assumption Notice"), a copy of which is attached hereto as Exhibit A.

Pursuant to the Assumption Notice, the above captioned Debtors propose to assume the derivative contract between Kline Galland Center and Lehman Brothers Special Financing Inc. ("Kline Galland Derivative Contract").

Kline Galland exercised its rights under the Kline Galland Derivative Contract to terminate the contract on November 10, 2008. See Exhibit B.

The parties have been proceeding through the ADR process pursuant to the Alternative Dispute Procedures Order for Affirmative Claims of Debtors Under Derivative Contracts, Docket No. 5207. See Exhibit C. Debtors' asserted claim is premised upon the prior termination of the Kline Galland Derivative Contract. Id.

Kline Galland objects to the proposed assumption on the ground that the Kline Galland Derivative Contract has been terminated.

Dated: November 8, 2011
New York, New York



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